

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/021/001
(Mineral Mined) IRON (AREA IS USED FOR
Crushing Screening & Loading only)

"MINE LOCATION":

(Name of Mine) COMSTOCK SITE
(Description) MINING DOES NOT OCCUR
ON PROPERTY

"DISTURBED AREA":

(Disturbed Acres) 36 ACRES
(Legal Description) Exhibit A

"OPERATOR":

(Company or Name) GENEVA STEEL
(Address) P.O. Box 20-B
SANTAQUIN, UTAH 84655
(Phone No.) (801) 465-2532

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

W. Roy BENSON

KEIGLEY QUARRY

P.O. Box 20-B

SANTAQUIN, UTAH 84655

"OPERATOR'S OFFICER(S)":

Robert J. Grow VP & COO

Joseph Cannon President

President & CEO

"SURETY":

(Form of Surety - Exhibit B)

Currently CD's

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Valley Bank

"SURETY AMOUNT":

(Escalated Dollars)

"ESCALATION YEAR"

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. _____ which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this _____ day of _____, 19____.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By _____
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
Director Date

STATE OF _____)
) ss:
COUNTY OF _____)

On the _____ day of _____, 19____, personally
appeared before me, who being by me duly sworn did say that he/she,
the said _____ is the Director
of the Division of Oil, Gas and Mining, Department of Natural
Resources, State of Utah, and he/she duly acknowledged to me that
he/she executed the foregoing document by authority of law on behalf
of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires:

By _____
Corporate Officer - Position _____
Date _____

STATE OF _____)
) ss.
COUNTY OF _____)

On the _____ day of _____, 19____, personally appeared before me _____ who being by me duly sworn did say that he/she, the said _____ is the _____ of _____ and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said _____ duly acknowledged to me that said company executed the same.

Residing at: _____

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INSTITUTION:

Surety (Company)

Company Officer - Position

Date

STATE OF _____)

) ss:

COUNTY OF _____)

On the _____ day of _____, 19____, personally
appeared before me _____ who being by me
duly sworn did say that he/she, the said _____ is
the _____ of _____
and duly acknowledged that said instrument was signed on behalf of
said company by authority of its bylaws or a resolution of its board
of directors and said _____ duly acknowledged to
me that said company executed the same.

Notary Public

Residing at: _____

My Commission Expires:

NOTE: An Affidavit of Qualification must be completed and
attached to this form for each authorized agent or officer. Where
one signs by virtue of Power of Attorney for a company, such Power
of Attorney must be filed with this Contract.